

Analysis of Electricity Industry Liberalization in Great Britain: How Did the Bidding Behavior of Electricity Producers Change?*

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Abstract

Promoting competition among electricity producers is crucial for ensuring allocative efficiency and lower electricity prices. In this paper, I empirically examine the electricity market of England and Wales in order to analyze to what extent the regulatory reforms were successful in promoting competition among electricity producers during 1995–2000.

This research provides further evidence of the effects of the reforms undertaken by the regulatory authority during the liberalization process and could be also of interest to countries that created their wholesale electricity markets similar to the original model of the England and Wales wholesale electricity market.

Abstrakt

Prosazování konkurence mezi výrobci elektřiny je důležité, neboť ve svém důsledku zajišťuje alokační efektivnost a nižší ceny elektřiny. V tomto článku empiricky zkoumám trh elektřiny v Anglii a Walesu, kde analyzuji úspěšnost regulačních reforem při zavádění konkurence mezi výrobci elektřiny během let 1995–2000.

Tento výzkum poskytuje další informace o efektivitě reforem, které regulační orgán provedl v průběhu liberalizace a je proto také vhodným informačním podkladem pro země, které reformovaly své velkoobchodní trhy elektřiny podobně jako tomu bylo v případě velkoobchodního trhu elektřiny v Anglii a Walesu.

Keywords: liberalization, electricity markets, uniform price auction, market power
JEL Classification: D21, D44, L90, L94

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